TRAINING AS AN INNOVATIVE STRATEGY IN FOSTERING GROWTH AND SUSTAINABILITY IN CAMEROON

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Abstract: The emergence of informal microfinance clubs, the mainstay of the grassroots economy, from sociocultural security structures has been fraught with management problems, due to the high preference for experiential learning and peripheral consideration for a training culture. Although day-to-day work experience is instrumental in developing expertise in indigenous institutions, training has an equally competitive edge. This study was designed to examine perceptions of training as an innovative strategy in fostering the growth and sustainability of informal institutions. Thirty institutions were selected from the West Province of Cameroon and 138 officials were enrolled in the study and surveyed. More than three-quarters of the officials (91.30%) reported a favourable perception of training as a mechanism for human development and effective governance. Only 16% had received some training and skill deficits had recurrent management difficulties as indicators. The work evoked a need for the institutionalisation of a training culture in traditional institutions, as a strategy for competence building, institutional development and sustainability.

Keywords: indigenous structures; microfinance; experiential learning; training culture; innovation; corporate governance; sustainability; Cameroon.

INTRODUCTION

The practice of microfinance especially in the informal sector has recently been hailed as a viable mechanism in the grassroots economy and poverty alleviation in developing countries. With the recognition of the critical link between microfinance and micro-enterprise, there has been a shift in focus by governments and development organisations from the formal financial markets to Microfinance Institutions (MFIs). A main reason is the inability of the suffering poor to access the formal financial industry owing to the latter's corporate personality and modus operandi, and the personal characteristics and culture of the ordinary human. Unfortunately, the informal sector, which is largely 'informal' in its structure and operations, is generally neglected since majority of the institutions usually do not meet the statutory requirements. Although these groups are constituted on the notion of social economy, they perceive themselves

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to be sociocultural groups, glued together on the basis of solidarity spurred by the satisfaction of common needs. In Cameroon the informal structures of Rotative Savings and Credit Associations (ROSCAs) or Solidarity Clubs are commonly called *tontines* or *njangis*. These are common funds contributed to periodically by members with common interests who confidently and successfully circulate the fund among themselves (Fone, 1998). Such groups have sociocultural and economic bearings with a visible impact on the life of its members, although neglected by the government and development agencies as mere sociocultural structures. Reiterating its contributions to the Cameroon national economy, Sika and Strasser (2001), found out that local tontines, small, informal savings and loan associations, are proving to be the main grassroots financing system. This justifies the fact that the perceived high correlation between microfinance and micro-enterprise in Africa cannot be contested. But despite the drive of these institutions to provide fair and reliable services to those ignored by the formal financial market, they usually encounter governance problems such as poor leadership and management. This is attributed at times to the fact that they still enjoy enormous influences from the traditional sector owing to ignorance, resistance to change, lack of resources and cultural addiction. Club membership is often based on sociocultural affiliations, and while governance and management are performed by members selected mostly on a purely sociocultural basis and not on aptitude. This sis justified by the fact that structures are socially based and realisation of group goal depending on status, sociocultural positions and maturity.

Fone (1998) observed that tontines have a social dimension that superimposes on the financial aspect since membership is generally on the basis of friendship, membership of a club, pressure group, family, professional or and solidarity group. Group characteristics and culture normally determine the choice of leadership and management strategies for the institution. Since a profit-pleasure mix cannot easily yield a satisfactory outcome, there is a need for innovation to outgrow the current practices in the informal sector. Learning in the informal sector is generally experiential, through on-the-job trial-and-error processes, and this is the case with tontines. Such factors no doubt deprive them of relevant knowledge and skills and greatly affect leadership and management processes with undesired consequences for the institutions. Analysing this quagmire, Kwong (2004) upheld that, as microfinance operations grow from small-scale projects to large-scale nationwide institutions, there is a greater need for effective management in order to improve their efficiency and effectiveness. This implies the role of human capital development in effective governance, which has an impact on the processes of recruitment, training, motivation and performance in this sector notwithstanding their sociocultural leanings. According to the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP, 2007), bad governance is increasingly regarded as one of the root causes of all evil, and major donors and international financial institutions are increasingly using 'good governance' indicators as necessary conditions for loans and aids. In the informal microfinance sector, it is only through human resource development for officials, who usually double as the board and the executive, that good governance can be guaranteed. Although a training culture is not customary in most of the institutions, the current operational difficulties in the sector call for leadership and managerial capacity building as a catalyst for Indigenous Knowledge Management (IKM). Exploring the goal of governance, Lapenu (2002) stated that governance analysis for MFIs is a relatively new domain, but transcends ordinary understanding to explain success and failure in the sector and to construct the future of microfinance on a solid base. The current work is strongly of the opinion that a training culture can pose as an innovative strategy for achieving good governance and sustainability in the sector.

AN ANALYSIS OF THE CONTEXT

The practice of informal microfinance in Cameroon has been done since time immemorial. But the outcome and recognition of the sector can be traced back to the devastating economic experience of the late 1980s, which caused the population to lose confidence in classical banking institutions. With the failure of the formal financial market to respond to popular needs, and also to reduce poverty, the state initiated the financing of investments that had some bearing on key sectors of the economy such as agriculture, industry, and small- and medium-sized enterprises (IFAD, 2000). This led to the new cooperative law of 1992, which recognised locally registered indigenous savings and credit associations as financial market intermediaries. This Decentralised Financial System (DFS) was meant to promote semiformal and informal financial institutions as a viable, rural credit system for those excluded by formal banking institutions. This accounts for the multiplicity of informal systems in the country. Today we have usury (through ROSCAs) as a prominently operating financial system in the informal sector. The polarisation of MFIs at times poses a problem of definition and status owing to their sociocultural and economic mix. The most common type of informal institution is the njangi or tontine. This is a ROSCA that is created by a neighbourhood, family and relations of any kind, or a village or professional group in rural and urban centres. Abono (2006) observed that MFIs, as with other cooperatives in Cameroon, are owned and run by persons with a common bond such as equal social status, their profession, place of origin or residence. Kinship is therefore a cementing factor notwithstanding the sentiments it imposes on governance issues. Members meet on particular days to contribute an agreed sum to a member, and also to save and obtain credit. Meetings could be weekly, fortnightly, monthly or quarterly depending on the rules governing the group. What is interesting with ROSCAs is that, in addition to financial services, the institutions are (directly or indirectly) a source of nonfinancial services and gains such as feelings of solidarity and security, eating and drinking sessions, education and information sharing, and other forms of support to needy members. Because of their nature, operations and surrounding circumstances, they are generally understood as traditional social security systems. Since the informal sector is largely rooted in different sociocultural security systems, related activities, thinking and behaviours such as savings, lending and investment are usually in conformity with the existing norms, beliefs and expectations of the people. This implies that issues relating to human resource development, knowledge management and governance need to be examined and understood from the perspective of the cultural values of specific sectors and subgroups. Table 1 categorises the Cameroon financial services industry into formal, semiformal and nonformal sectors, with the corresponding governance difficulties and strategies. Ntongho *et al.* (2002) carried out a study on the levels of participation in the industry with the following results: formal, 02.60%; semiformal, 34.80%; informal, 58.90%; nonparticipation, 03.70%. The highest level of participation was found in the informal sector – a melting pot of

Table 1 Types of financial institutions

Institution types	*Type definitions*	*Examples*
Formal	Strictly commercial banks undertaking banking activities	Amity Bank, Standard Charter Bank, Societe Generale de Bank de Cameroon (SGBC)
Semiformal	Other legal financial institutions: credit unions, MC2, cooperatives whose banking activities are active societies, MFIs limited to savings and loans	Institutions, financial cooperative institutions, savings and credit associations, post offices, Common Initiative Groups (CIGs), credit cooperatives, NGOs
Informal	Other legal or unregistered family meetings, alumni nonfinancial associations quarter or village financial transactions	Meetings, CIGs, NGOs and social groups, *njangis/tontines*

Source: Ntongho et al. (2002)

both rich and poor, but having a very low skill base for effective governance.

Developmental impact

The debate on whether microfinance impacts on development activities is not the focus of this work. Although its goal is a training culture and governance, it cannot lose sight of the critical role of these self-help structures as valuable sources and strategies of income generation and empowerment. Analysing its activities, Sika and Strasser (2001) indicated that 90% of the economically active population carry out business with informal savings and loan associations, while 10% of the economically active population carry out business in the formal and semiformal financial institutions. Naggli (1998) also made this critical observation:

> "All my African friends paid for their marriage or expensive household items with credits lend by self-help associations… Every month my friends made small contributions from their meagre incomes to a common fund in order to provide small-scale credit… None of them would have dreamed of placing his pitiful savings in a bank or asking a bank for a credit. Neither would a bank in their countries have thought of lending as much as a cent to these have-nots."

Although the formal sector remains the mainstay of investments and economic growth, there is a missing link in the conception and operations of classical banking institutions with regard to the realities of the poor. This is justified by Stokli and Gugler (1998), that after many years of financial sector adjustment, the majority of the population in the south still have no access to financial markets and the poor do not get credit, except through informal networks, which are limited in amount and scope. This idea reiterates the problems of the poor in accessing the services of formal financial markets as they quietly turn towards the informal sectors. After an investigation on microfinance's impact on the grassroots economy in Cameroon, Mayoux (2002) concluded that:

> "most loans are being used for subsistence farming, trade in food crops and processed

food, livestock farming of pigs, goats, rabbits, brewing beer, petty retail trading and small stores, sale of second-hand and new clothing, tailoring, knitting, trade in palm oil, sale of poultry feed."

The relevance of this sector to microenterprise at the same time highlights the importance of management and governance in the sector, which to a great extent depends on the capacity of the officials.

GOVERNANCE IN THE INFORMAL SECTOR

The growth of informal MFIs through their evolution from traditional social security systems is facing lots of challenges, which require extra energy and cognitive and behavioural strategies by officials. Taking into consideration that the officials have a dual legislative-executive personality, the cognitive and skill base and energy need to be doubled in a creative and productive manner. Zeller (2001) observed that innovation in and the expansion of the microfinance sector could be improved in many cases in the future through more explicit partnerships with the private banking sector. Although this is necessary in ensuring effective governance, there is still an issue since the human factor, in this case the human capital, is almost often neglected in the process of production in preference for physical and social capital. But since other production factors are dependent on the human factor, innovation can also take place from the perspective of human resource development, since it is crucial in rendering other resources operational. Reengineering management approaches through a training culture will have an enormous psychological implication for officials for them to influence sustainable growth in the informal sector. The United Nations Economic Commission for Africa (UNECA, 2005), for instance, has organised a number of activities on microenterprise, especially on microfinance, with the aim of promoting good governance, stimulating economic growth, reducing poverty and achieving the objectives of the millennium development goal. One of the limitations of such activities is that the informal microfinance sector is usually neglected in their programmes despite its critical role in microenterprise development. The current interest in microfinance governance as a sustainable development strategy has influenced a series of activities by different stakeholders at international and local levels. It has also influenced different understandings of the governance concept, perceived at times as a panacea to development problems and used in different contexts.

The current focus is on corporate governance. The UNESCAP (2007) simplified governance as "the process of decision-making and the process by which decisions are implemented (or not implemented)". It involves issues of good and bad governance and the act of balancing between the board in terms of decision making, and the executive from the perspective of implementation. According to the Organisation de coopération et développement économique (OCDE, 2004), corporate governance is about the way the boards oversee the running of a company by its managers, and how board members are in turn accountable to shareholders and the company. Although the informal sector comprises social security clubs, there are no doubt institutions with structures and modus operandi that should be subjected to the principles of good governance. Linking governance with the grassroots, Abono (2006) stated that good governance means exercising authority and control as well as governing well, hence being ethical in order to bring benefits or advantages and not do harm to the stakeholders. Although the concept of governance is very elastic, respect for its basic principles, involving participation, consensus, accountability, transparency, responsiveness, effectiveness and efficiency, equity and rule of law should be mandatory in all sectors, no matter the degree of application. Taking cognisance of the fact that governance implies decision making and decision implementation, the analysis of governance in the informal microfinance sector is justifiable due to the fact that officials play the roles of the board and the executive, which are grossly affected by governance principles. Microfinance as a tool of decentralised finance has the potential for responding to majority of the population's needs and production units, and in the absence of the principles of governance, both promoters and beneficiaries will most often be victims of abuse (Lapenu, 2002).

The main issues in the informal sector are not only the leadership-management complexities but also that of balancing sociocultural drives with financial motives. This is a delicate mission and requires officials who, in addition to experiential learning (on-the-job experience), have some technical training on microfinance business. Kwong (2004) also observed that, as microfinance operations grow from small-scale projects to large-scale nationwide institutions, there is a greater need for effective management in order to improve output. This no doubt depends on the skill base of officials, who in turn depend on the capacity-building culture of their institutions to ensure good practices. Unfortunately, they possess structures and modes of operation that are inspired much more by the sociocultural realities of the people than by responsive management principles. Mayoux (2002) considers management culture to be neither conventional nor indigenous, which at times breeds confusion and conflicts, especially in the governance and administrative machinery of one of the informal institutions in Cameroon:

> "The administration of Mbonweh is voluntary and done through the Board of Directors made up of elected representatives … Each Board member visits the projects, group meetings and reports to the Board and reports back to group members on decisions of Board meetings. The Board meets twice a year (January and July) to review business activities, decide on dates for loan return and granting of new loans. The Board also considers new members, undertakes registration of new groups, increase of shares, sanctions against loan defaulters and other matters affecting the Association. There is also an elected Board members of eight women, who also meet twice a year (February and August) to collect loans and reinvest into the bank, to scrutinise loan forms and loan bonds. Board members are paid a fee of CFA 5000 twice a year for attending meetings. The workload was high and lack of time on the part of the voluntary staff was creating problems for expansion of the programme, despite the effective community mechanisms for ensuring loan repayment… Loans are given out during executive meetings and are given for a period of six months, repaid in one installment because there are no full or part-time paid officers."

This is a typical example of a traditional social security system – an informal microfinance structure growing into a semiformal institution. From this experience there is no defined role between the board and management, since the board acts simultaneously as the management. Even without a critical analysis, this experience is indicative at a glance of the low cognitive and skill base that makes the structure vulnerable to numerous management-governance contradictions. Many such institutions abound that adopt the same structure and mode of operation and experience the same limitations on growth. With regard to culture, it is obvious that microenterprises cannot be separated from the societal and work culture in the traditional sector, where most of the institutions are created and nurtured. Since homegrown sociocultural management and governance considerations are often at variance with conventional business values, it is essential for the informal sector to strike a compromise and this can only be ensured through the capacity building of officials as agents of institutional development.

BUILDING TRAINING ON EXPERIENTIAL LEARNING

There is no doubt that the values of experiential learning have been evoked in many circles as a mechanism for generating culture-fit knowledge and practices with competitive advantages. This work does not contest the relevance of experiential learning, but insists on building on experience with 'filling the gaps' as an option for the informal sector. This work definitely recognises and supports the power of experiential learning especially with on-the-job learning, but in addition proposes training as an added value and a catalyst of innovation for traditional structures. There are limitations with the socially constructed knowledge in the sector, since the learning outcome is a mismatch with current management and governance challenges. On-the-job learning, usually through observation, imitation and social participation according to the established order, has demonstrated its limitations in empowering the officials of MFIs. Since rationality and experience have a place in the construction of knowledge, the human capital should naturally impose order on experience.

The concept of training cannot be alienated from governance since the skill base of the decision makers and implementers are determinants of effective or poor governance. Training is therefore an adaptive strategy and implies changes in knowledge, skills, attitudes and behaviours in any problem-solving activity in any given setting. According to Bernadin and Russels (1998), training is any attempt to improve employee performance on a currently held job or related jobs, through changes in specific knowledge, skills, attitudes and behaviours. Unfortunately, officials in the informal sector are hardly trained in microfinance skills despite their moral strength and empowerment in sensitisation. The systematic training of officials as an innovative governance strategy, while building on local realities, therefore becomes imperative, taking into consideration its impact on management and the subsequent sustainability of the institution. Training is necessary as a complement to participation since it targets specific skill deficits, which are context relevant, and also exploratory, discovery oriented and constructive in microfinance enterprises. This reinforces the usual on-the-job and trial-and-error learning culture that has been prevalent in the sector. Apart from building confidence and giving new orientations to officials, it facilitates the production of culture-specific knowledge with enormous competitive advantages to the sector.

RESEARCH QUESTIONS

Despite the dominance of the informal microfinance sector in Cameroon, Agyie (2004) observed that it is not well organised since it is characterised by disorder, risk and unpragmatic approaches that cannot ensure sustainable growth and development. With the current traditional approach based on ascribed position and status and not on aptitude or competence, the informal sector is condemned to have management and governance difficulties. Even when officials are identified or voted into office, the appropriate orientation or training is not ensured owing to the lack of a training culture. A more difficult situation is the dual responsibility of the officials, who double as board members and as management officials. The absence of governance and management values frustrates the very intention of an effective and efficient delivery system and the financial inclusion of the masses. Much has been done from the perspective of the mobilisation and sensitisation of the members on microfinance activities as a poverty reduction mechanism, but this is limited only to their education and does not include training in management and governance. This is the interest of the current work, which is built on the following questions:

- What are the officials' perceptions of training as an innovative good governance strategy?
- What are the operational difficulties and training needs of officials, the meeting of which can ensure effective governance in the informal sector?
- Can lack of capacity building affect the good governance strategies and sustainability of the informal microfinance sector?

THE RESEARCH STUDY

The study was designed to examine the perceptions of management training as an innovative governance strategy, management difficulties and the training needs that can foster effective governance and sustainability. In this work, 138 officials (n = 81 males, 57 females) were selected from 30 ROSCAs in the West Province of Cameroon with a sample population completion rate of 81.17%. This province has a strong culture of *tontines* and *njangis*, with a high success rate. A questionnaire designed and validated for the study was administered to officials of the microfinance clubs at meeting venues. The instrument comprised 15 indigenous items and each item comprised a variable or a pair of concepts with both open-ended and closed questions. The instrument embraced items on the perceptions of management training, prior training, governance activities, operational problems, training needs, expectations and a personal data section. These items emanated from the research questions and research problems of the study. Scoring was done on the basis of how much weight was assigned to each concept; the higher the weight, the more important the concept. Data from the questionnaire were analysed using simple statistical tests in order to characterise the variables in question. With regard to procedures, some of the groups were contacted by the investigator, while others were volunteers who were either ordinary members or officials of the club. The volunteers whose level of education was above the General Certificate of Education (GCE), Ordinary Level were briefed on the nature of the study and the ethical issues involved. The results had some implications for the challenges of governance orthodoxies, a training culture, knowledge creation, behavioural change and institutional development. One limitation of the study was that data sources were dominantly in rural and semiurban centres, thereby excluding urban areas. Also, data validity might have suffered from volunteers' insider bias, and those who had limited experiences in interacting with sociocultural groups. The process of interview with some respondents might also have influenced some group realities. Despite the presumed biases, the volunteers were briefed on research processes and the investigator constantly followed them up to get feedback. Despite the perceived biases, the validity of the data treated in this work can be ascertained.

RESULTS

The results of the study have been analysed in relation to the research questions. This started with the analysis of the profile of the officials. In relation to sex, it is interesting to note that the men-women ratio was 58.69%:41.30%, indicating the gender sensitivity of the sector and possibly a gender representation of interests in management and governance issues. Table 2 analyses the educational status of the officials. Majority of the officials are holders of the First School Leaving Certificate (44.20%), followed by those with the GCE Ordinary Level (34.05%). This is the basis for the education/training that officials have in relation to management and governance challenges in their respective institutions. Only a few officials possess the GCE Advanced Level (15.21%) and a First degree (06.52%).

The perception of training by officials as a governance strategy was positive, 126 (91.30%) as against 12 (08.69%). Table 3 explores the reasons for a positive view of management training by officials. Ensuring managerial effectiveness (27%) was seen as the most important reason for training officials. This was followed by the perception of training as an efficiency mechanism (18%). The study also had an interest in the activities of the officials as analysed in Table 4. The writing of minutes/record keeping (25%) had the highest frequency and controlling/auditing of accounts (19.64%) was also indicated strongly in their activities. Presiding over meetings (17.85%) and financial management (12.50%), although appearing later are very challenging tasks to the officials, since they are viable processes in informal microfinance businesses.

Investigation on prior training in microfinance management showed that 84 (60.86%) had never been trained while 54 (36.13%) had either received or generated some learning relative to microfinance activities. Table 5 presents the reasons why some officials never received any training on microfinance management. The strongest reasons advanced are the absence of a training structure (26.73%) and the lack of an initiator/organiser (23.76%) to come up with a training programme. Officials also indicated that there had been no opportunity (19.80%) for them to attend one, notwithstanding their interest. For officials who have had some training, less than 50% (Table 6) presented the various sources of their knowledge and skills in current operations in their microfinance groups. The results showed

Table 2 Educational status of the officials

Certificates	*Frequency*	%
First School Leaving Certificate	61	44.20
General Certificate of Education Ordinary Level	47	34.05
General Certificate of Education Advanced Level	21	15.21
First degree	9	6.52
Total	n = 138	100.00

Table 3 Reasons for positive perceptions

Reasons	*Frequency*	%
Ensures managerial effectiveness	54	27.00
Performance-enhancing mechanism	21	10.50
Financial management tool	27	13.50
Efficiency mechanism	36	18.00
Human resources management tool	30	15.00
Enforcement of rules	18	9.00
Ensures creative activities	14	7.00
Total	n = 200	100.00

that on-the-job training (32%) and learning through formal education (28%) have been great sources of capacity building. Only 16% of the officials had an opportunity to attend a seminar/workshop in microfinance management or related training.

With the assumed limited training, the study was also interested in management and governance difficulties. The types of problems faced by the officials in their operations are presented in Table 7 and dishonesty/bad faith (27.13%) ranked top on the list. Loan delinquency (22.61%) and misunderstanding/conflicts (20.10%) also came up as heavy barriers to managerial efficiency. As a response to management problems, the study analysed the training needs of officials as presented in Table 8. From the results, the greatest desire of officials is training on financial management (34.32%), followed by knowledge and skills in the management of people (17.91%). Officials also expressed the need for group training (11.94%), discipline (10.44%) and group dynamics (10.44%). It is interesting that bookkeeping and secretarial skills came up as the least desired by the group. The study also examined the expectations of the officials on how they can be better equipped to ensure optimum practice. Table 9 shows the expectations. On the list, training of officials (25.68%) and sensitisation/education of members (23.34%) were considered

Table 4 Activities of the officials

Activities	*Frequency*	%
Safekeeping of money	27	16.07
Financial management	21	12.50
Presiding over meetings	30	17.85
Record keeping	42	25.00
Controls/Audits	33	19.64
Technical advice/support	15	8.92
Total	n = 168	100.00

Table 5 Reasons for the absence of a training culture

Reasons	*Frequency*	%
No initiator/organiser	24	23.76
No opportunity	20	19.80
No training culture	27	26.73
Small group, little means	12	11.88
Emphasis rather on morals	8	7.92
Not necessary	10	9.90
Total	n = 101	100.00

Table 6 Sources of the current skill base

Sources	*Frequency*	%
Formal work activities	12	24.00
Formal education	14	28.00
Microfinance seminars	8	16.00
On the job	16	32.00
Total	n = 50	100.00

Table 7 Operational difficulties

Operational challenges	*Frequency*	%
Misunderstanding/Conflicts	40	20.10
Dishonesty/Bad faith	54	27.13
Loan delinquency	45	22.61
Poor savings culture	24	12.06
Calculation (of interest, *etc.*)	20	10.05
Poor record keeping	16	8.04
Total	n = 199	100.00

very important to ensure efficiency in governance.

A DISCUSSION OF THE FINDINGS

It is tempting to say that the findings have shed some light on the realities of management and governance barriers in the informal sector due to lack of innovative training culture goal is to respond appropriately to managerial challenges that have a negative influence on innovation and appropriate management and governance strategies. In this light, the African Centre for Investment Analysis (ACASIA, 2002) stated that:

Table 8 Training needs of the officials

Training needs	*Frequency*	%
Financial management	69	34.32
Discipline/Morals	21	10.44
People management	36	17.91
Group dynamics	21	10.44
Collective/Group training	24	11.94
Bookkeeping/Accounts	18	8.95
Secretarial skills	12	5.97
Total	n = 201	100.00

Table 9 Expectations of the officials

Expectations	*Frequency*	%
Sensitise/Educate members	60	23.34
Training of officials	66	25.68
Moralise members	39	15.17
Consult experts	21	8.17
Reading and writing for all	15	5.83
Select educated officials	18	7.00
Training of trainers	21	8.17
Appropriate leadership	17	6.61
Total	n = 257	100.00

> "over the last ten years, the microfinance industry has witnessed a rapid growth in the number of products offered as well as client outreach and branch network. There is, therefore, considerable interest and level of urgency for many microfinance institutions in Africa to keep pace with changing landscape in the industry."

This is the premise on which the current work is based and has identified the training of officials as a starting point. The provision of intensive training to build up board or staff capacity has been perceived as a key area of improvement, which will impact on managerial attitudes and behaviours, and also influence activities in the sector. This is very important for evolving institutions that are still in the grip of the cultural forces of the traditional sector.

The officials' positive perceptions of training were very high indicators of were very high indicators of capacity-building awareness as a mechanism for enhancing management effectiveness (27%), and an efficiency mechanism (18%). This is in accord with the position of Bernadin and Russels (1998) that, while managers recognise the value of training to help their firms gain a competitive edge, employees also understand that training gives them opportunities to grow and advance in their career. This further consolidates the place of training not only as a response to skills deficit but also as a tool for skills development and attitude and behavioural changes. Jones *et al*. (2004) found that, when managers felt positive about the training received, they attributed this to increased knowledge, confidence and motivation. It is therefore evident that there is a desperate need for the informal sector to develop an effective training culture and programmes for their officials as a prerequisite for performance enhancement.

Plans for management development and training should take job description into consideration. The results showed the tasks or activities of officials at varying frequencies: minutes/record keeping (25%), safekeeping of money, presiding over meetings and control/audits. These are no doubt challenging activities that involve a lot of cognitive processes: thinking, reasoning, problem solving, retention, reflection and the use of language in given contexts. The nature of the tasks is essential in designing a training programme that will link the training needs with the vision of the group. In this respect, Wayne (1991) observed that training and development are planned programmes of organisational improvement and the ultimate objective of training is to link training content to desired job behaviours. This cannot be achieved without a comprehensive understanding of the tasks of the officials, which are often perceived as casual volunteerism, done part-time or as their pastime. A comprehensive understanding will certainly produce a small but relevant and sensitive training package that will impact on the management and governance of officials and the overall productivity.

From the findings, the officials identified the training activities that they need to function appropriately. Financial management (34.32%) and people management (17.91%) were given priority. This is certainly in response to the various types of managerial problems experienced: dishonesty/bad faith (27.13%), loan delinquency (22.61%) and misunderstanding/conflicts (20.10%). All the problems are human oriented and need some affective skills. Despite the desire to be trained, Training Needs Assessment (TNA) – a systematic assessment of training needs through group, task and analysis of officials is indispensable. A thorough TNA should also be done in relation to the available human resource base, notwithstanding the size and cultural bearings of the institution. In this particular activity, the role of external expertise could be very important in catalysing the process.

One cannot underestimate the influence of the changing environment on the operations of the institutions and members. If traditional social security systems have to evolve into MFIs, this change will become evident. According to Zeller (2001), particular emphasis should be laid on innovative systems where the shaping of cultures, system reconstruction and appropriate technology for the target population is given priority. This needs a gradual and planned change in the philosophy, structure and operations of the institutions, which at the same time places the actors at the centre of the institution as agents of change. A management culture should be dynamic in order to meet the challenges of transition from traditional structures to semimodern financial structures. Influencing this culture needs much learning and cognitive restructuring in order for the members of the sector to experience a comfortable degree of mental equilibrium. The learning and restructuring should be dynamic and flexible and should take place in a user-friendly sociocultural matrix. This will be an entry point to the training of officials, as an innovative governance strategy is recommended in the study as a top priority (25%). Officials and members alike need to perceive the institution as a dynamic entity that has to cope with rapid changes and emerging realities in the process of growth and development. Members therefore need to accept and also support the changes, which normally should start with capacity building for officials, who are governors and at the same time executives.

CONCLUSION AND RECOMMENDATIONS

It should be understood that humans cannot function properly in all contexts without learning different types of knowledge and skills on how to cope with existing or changing realities. Since traditional social security systems are evolving institutions, problems of adaptation abound. It is therefore necessary to accept this fact and influence stakeholders to evolve mentally, emotionally and behaviourally in order to cope with the innovation and institutional development of ROSCAs. This cannot be successful without the appropriate education and training of microfinance officials and members, who are also at the centre of change. Another point of concern is research in the informal microfinance sector on entrepreneurship and managerial and governance behaviours. Although some studies have been carried out on MFIs, many have not targeted management officials. The situation is exacerbated when it concerns human resources and the board-executive role conflict. Again, most of them have been carried out in formal MFIs and not in the informal sector. The informal sector, especially the ROSCAs, should be targeted as the backbone of microenterprises and as one of the best mechanisms for a comprehensive financial inclusion at the grassroots level. Diverse research activities should be furthered in the area of management change, motivation, culture and training, in order to ensure a productive workforce at the management level. Informal MFIs need support from both government and development agencies. There is also a need for support to nurture the evolving structure with demand-driven training activities. But it is necessary for these groups to first of all learn the basic principle of self-help and self-adequacy and initiate their own training programmes while consulting external expertise. A dynamic but simple management framework should be put in place to accommodate new training programmes and a culture that will foster appropriate technologies for the effective management and governance of informal MFIs.

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